

110TH CONGRESS
2D SESSION

H. R. 5558

To limit the discriminatory taxation of oil pipeline property.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2008

Mr. PRICE of Georgia introduced the following bill; which was referred to the
Committee on the Judiciary

A BILL

To limit the discriminatory taxation of oil pipeline property.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Energy Infrastructure
5 Tax Fairness Act”.

6 **SEC. 2. LIMITATION ON DISCRIMINATORY TAXATION OF**
7 **OIL PIPELINE PROPERTY.**

8 (a) DEFINITIONS.—For purposes of this Act:

9 (1) ASSESSMENT.—The term “assessment”
10 means valuation for a property tax levied by a taxing
11 authority.

1 (2) ASSESSMENT JURISDICTION.—The term
2 “assessment jurisdiction” means a geographical area
3 used in determining the assessed value of property
4 for ad valorem taxation.

5 (3) COMMERCIAL AND INDUSTRIAL PROP-
6 ERTY.—The term “commercial and industrial prop-
7 erty” means property (excluding oil pipeline prop-
8 erty, public utility property, and land used primarily
9 for agricultural purposes or timber growth) devoted
10 to commercial or industrial use and subject to a
11 property tax levy.

12 (4) OIL PIPELINE PROPERTY.—The term “oil
13 pipeline property” means all property, real personal
14 and intangible:

15 (A) owned or used by an oil pipeline pro-
16 viding interstate transportation of oil, refined
17 petroleum products or other hazardous liquids;

18 (B) owned or used by an oil pipeline for
19 storage of oil, refined petroleum products or
20 other hazardous liquids, which is connected to
21 any property described in subparagraph (B); or

22 (C) subject to the jurisdiction of the Fed-
23 eral Energy Regulatory Commission.

24 (5) PUBLIC UTILITY PROPERTY.—The term
25 “public utility property” means property (excluding

1 oil pipeline property) that is devoted to public serv-
2 ice and is owned or used by any entity that performs
3 a public service and is regulated by any govern-
4 mental agency.

5 (b) DISCRIMINATORY ACTS.—The acts specified in
6 this subsection unreasonably burden and discriminate
7 against interstate commerce. A State, subdivision of a
8 State, authority acting for a State or subdivision of a
9 State, or any other taxing authority (including a taxing
10 jurisdiction and a taxing district) may not do any of the
11 following such acts:

12 (1) Assess oil pipeline property at a value that
13 has a higher ratio to the true market value of the
14 oil pipeline property than the ratio that the assessed
15 value of other commercial and industrial property in
16 the same assessment jurisdiction has to the true
17 market value of the other commercial and industrial
18 property, or levy or collect a tax on such an assess-
19 ment.

20 (2) Levy or collect an ad valorem property tax
21 on oil pipeline property at a tax rate that exceeds
22 the tax rate applicable to commercial and industrial
23 property in the same assessment jurisdiction.

1 (3) Impose any other tax that discriminates
2 against oil pipeline property described in subsection
3 (a)(4) of this section.

4 **SEC. 3. JURISDICTION OF COURTS; RELIEF.**

5 (a) GRANT OF JURISDICTION.—Notwithstanding sec-
6 tion 1341 of title 28, United States Code, and notions of
7 comity, and without regard to the amount in controversy
8 or citizenship of the parties, the district courts of the
9 United States shall have jurisdiction, concurrent with
10 other jurisdiction of the courts of the United States, of
11 States, and of all other taxing authorities and taxing juris-
12 dictions, to prevent a violation of section 1.

13 (b) RELIEF.—Except as otherwise provided in this
14 subsection, relief may be granted under this Act only if
15 the ratio of assessed value to true market value of oil pipe-
16 line property exceeds by at least 5 percent the ratio of
17 assessed value to true market value of other commercial
18 and industrial property in the same assessment jurisdic-
19 tion. If the ratio of the assessed value of other commercial
20 and industrial property in the assessment jurisdiction to
21 the true market value of all other commercial and indus-
22 trial property cannot be determined to the satisfaction of
23 the court through the random-sampling method known as
24 a sales assessment ratio study (to be carried out under
25 statistical principles applicable to such a study), each of

1 the following shall be a violation of section 1 for which
2 relief under this Act may be granted:

3 (1) An assessment of the oil pipeline property
4 at a value that has a higher ratio of assessed value
5 to the true market value of the oil pipeline property
6 than the ratio of the assessed value of all other
7 property (excluding public utility property) subject
8 to a property tax levy in the assessment jurisdiction
9 has to the true market value of all other property
10 (excluding public utility property).

11 (2) The collection of an ad valorem property tax
12 on the oil pipeline property at a tax rate that ex-
13 ceeds the tax rate applicable to all other taxable
14 property (excluding public utility property) in the
15 taxing jurisdiction.

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